

Great Lakes,  
Great Michigan



# *The facts on water diversions and bottled water*

We need protections against diversions — whether via pipeline, tanker, or in bottles

Michigan citizens overwhelmingly agree that we should not export Great Lakes water (77% in a recent poll). However, the one law that prevents exports of Great Lakes water, the Water Resources Development Act (or WRDA), is being challenged in court by Nestle, the Swiss multinational corporation that currently has two water bottling facilities in Michigan and has plans for more. If that law is struck down, there will be nothing preventing large scale exports of water from the Great Lakes.

A billion gallons of water exported out of the Great Lakes basin each year in a pipe would have serious impacts on our water resources, and a billion gallons of water exported each year in bottles would have the same serious impacts on our waters. Without stronger laws, our waters are vulnerable to such large exports, and it makes no difference whether the water is exported in bottles or in other forms of transport.



## *Demand for bottled water is increasing rapidly*

There really is no ceiling to the demand for bottled water, especially as access to clean, fresh water declines around the world.

Worldwide consumption of bottled water has more than doubled in the past decade, and is increasing at a rate of over 9% every year. In 2004, more than 6.8 billion gallons of bottled water were consumed in the U.S., and 40.8 billion gallons were consumed worldwide.<sup>1</sup> At this rate, it is not difficult to imagine a proposal to bottle and export at least a billion gallons per year from the Great Lakes basin to other parts of the U.S. or around the world. Without new state laws that protect against diversions of Great Lakes water, including exports in bottles, there would be nothing to prevent large exports like this.

<sup>1</sup> Beverage Marketing Corporation. Available at [www.bottledwater.org](http://www.bottledwater.org).

## Bottled water is not the same as other products

In their efforts to open up Great Lakes water for export, companies such as Nestlé argue that bottled water is the same as other products containing water. Now there is an attempt by some House members to define bottled water as a product, no different from other goods containing water. This action would jeopardize our most precious natural resource in order to please the bottled water industry, which are not Michigan owned and provide few Michigan jobs.

The truth is that bottled water is not the same as other products, and Michigan citizens know the difference. To be clear:

1. There is absolutely no effort to prevent the export of Michigan produce and goods. We want to prevent exports of Michigan's water, however transported, in order to keep our water at work for Michigan—in agriculture, manufacturing, tourism, and to support and maintain healthy natural resources.
2. There is no risk of billions of gallons of water being exported from the Great Lakes basin in cherries each year, but that risk exists with bottled water. There is a limited market for products, but not for water.

## Privatization threatens the public's control of lakes, streams and other waters

Bottled water companies would like water to be treated like any other commodity, as part of their interest in asserting private ownership over our public resource. If we fail to place controls on the water-for-sale industry now, we will allow this to continue and risk losing public control over the Great Lakes, as well as decisions on how our water is used and whether it is protected.

## Solution: Legislative approval for exports of water

Legislative approval for exports of water out of the Great Lakes basin would provide a first line of defense against exports of our water. It would not prohibit all exports, but would assure that representatives of the public, in an open forum and debate, and not private interests behind closed doors, make final decisions on the sale and export of water. It would thus provide an additional safeguard against unwanted diversions of water. Therefore, it would stand up to legal challenges, even if WRDA were struck down.



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## *Great Lakes, Great Michigan*

# Michigan's Water is a Public Resource

### **1. Why do we need a state law assuring public decisions about the sale of Michigan water?**

Bills passed by the State Senate in December 2005 move Michigan a step down the road toward long-term protection of our Great Lakes, rivers, streams and groundwater. But they leave a giant loophole in our defense against Great Lakes water diversions and exports. The House of Representatives must close that loophole with an amendment to Senate Bill 850.

### **2. What would the amendment do?**

It would give the Michigan Legislature the final say over "water for sale" projects that would divert Michigan water outside the basin.

### **3. Why is this needed?**

Because without this bill, foreign investors, corporations and others can claim they own and can sell unlimited amounts of Michigan water *without any public oversight*. This threatens the future of the Great Lakes.

### **4. Are there any other reasons for the bill?**

Yes. The bill also protects local government taxpayers by preventing investors, corporations and individuals from establishing private water utilities that would compete with public water utilities. In Livingston County, a company claimed that right and, the adjacent townships paid the firm over \$3 million in public funds to prevent it from competing with the public supply.

### **5. Is private water sale really a threat?**

Yes. It is as much a threat as a pipeline to the Sunbelt states or the shipment of water in tankers from the Great Lakes to other nations. (In fact, the proposed sale of 156 million gallons of Lake Superior water to Asia in tankers caused the public outcry that led to the 2005 Great Lakes interstate compact limiting water withdrawals, and large-scale water bottlers are now withdrawing more than that amount from Michigan for sale today.) Worldwide consumption of bottled water has more than doubled in the past decade, and is increasing at a rate of over 9% every year. In 2004, more than 6.8 billion gallons of bottled water were consumed in the U.S., and 40.8 billion gallons were consumed worldwide. At this rate, it is not difficult to imagine a proposal to bottle and export at least a billion gallons per year from the Great Lakes basin, the largest source of fresh water in the world, to other parts of the U.S. or the globe.

### **6. What happens if this amendment doesn't pass?**

Foreign investors, corporations and others will be able to take Michigan water and sell it anywhere in the world without oversight, public comment, review and decision making. Those withdrawals could result in impacts on other water users within their watershed of origin, with little or no preference given to people putting water to work in Michigan.

### **7. But aren't permits required for drinking water facilities?**

Yes, but they only regulate the quality of the source water. The state has no law that gives the public an opportunity to comment on and prevent unwise *sales and exports* of Michigan water.

**8. What kind of projects would the amendment cover?**

Legislative authorization would be required only for projects designed to transfer water outside the Great lakes basin. The approval process would apply to all transfers of water in its natural state or those regulated under the Safe Drinking Water Act.

**9. What would the bill require?**

It would give the Legislature the duty to determine that such projects were consistent with the public interest, wouldn't impair the environment or health, and that they would result to an overall improvement to the waters of the state. Importantly, it would *not* prohibit these projects; it would instead assure a public decision making process for them.

**10. How do you distinguish water as a product from water as an ingredient?**

Bottled water is defined and regulated under the Safe Drinking Water Act. Other products that use water as an ingredient incorporated into a product are not. The use of water as an ingredient to make other products, such as juices, potatoes or automobiles, will not be affected by this bill.

**11. But why limit the sale of water? How is bottled water, for example, different from water in juice or other products?**

Water belongs to the public. Centuries of special legal precedent confirm that. Use of water in other products is simply a use, and ingredient, and not governed by this special precedent regarding the public water. But looming worldwide water scarcity, lack of water supplies in the Sunbelt states, and the growth of the bottled water industry mean that foreign investors and giant corporations see an opportunity for huge profit in capturing and selling water. This is a new threat to our water supplies.

**12. How would this affect job creation and in-state businesses?**

It would protect existing water users and the jobs they provide, while preventing the uncontrolled shipment of Michigan's water out of state for job creation elsewhere. Remember, the Legislature could authorize and license such a project, if it meets the legal standards; that is, it would have to determine that it was in the public interest, and that there would be no impairment and results in an improvement to the waters of the state.

**13. What about existing in-state water bottlers that have operated, in some cases for decades?**

This amendment would have no impact on the vast majority of water bottling plants in Michigan. Most water bottlers are local or regional in scope, sell only to local markets and are not a threat to the Great Lakes. Large-scale private capture and sale of water is a new and growing industry and a radical departure from local water projects.

**14. Do we need this amendment, since the Great Lakes governors signed a compact in December 2005 that is supposed to prevent water diversions and exports?**

Yes. The compact also contains a loophole because it defines water in packages under 5.7 gallons in size as a product not subject to the anti-diversion restrictions of the agreement. But it specifically authorizes the signing states to enact tougher restrictions if they choose to do so.